



# **San Diego City Attorney MICHAEL J. AGUIRRE**

## **NEWS RELEASE**

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### **AGUIRRE APPLAUDS THE CITY'S INDEPENDENT BUDGET ANALYST WHO URGES AN "HONEST AND OPEN EXCHANGE OF IDEAS" REGARDING ADOPTION OF THE KROLL REPORT/MAYOR'S REFORM PLAN**

**San Diego, CA:** City Attorney Michael Aguirre fully supports the recommendation of Andrea Tevlin, the City's Independent Budget Analyst (IBA), who is calling for an "honest and open exchange of ideas" in response to the recommendations contained in the Kroll Report/Mayor's Reform Plan. Ms. Tevlin released her report this afternoon in a memorandum to the City Council and further stated "it is critical to carefully consider these remediations in a public forum, discuss the merits of each, and explore possible alternatives."

The City Council has scheduled a special meeting on Wednesday, September 6, 1 p.m. to consider adopting the recommendations contained in the Kroll Report, which Mayor Jerry Sanders publicly embraced as his own reform plan on August 24, 2006. Immediately, City Attorney Aguirre cautioned against a hasty adoption of all of the 121 remedial steps because they have not been fully analyzed and publicly debated.

"While I welcome the Mayor's willingness to move the reform process forward, it is strongly recommended that the Kroll recommendations be considered on the merits by those who will inevitably have to foot the bill, the citizens," said City Attorney Aguirre.

Tevlin's report also noted that in its August 8, 2006 presentation to the City Council, the Kroll representatives said, "the City's past practice of suppressing dissent and thoughtful discussion in the interest of expediency was an underlying cause of the challenges the City faces today."

The \$20.3 million Kroll Report was presented upon delivery at an unusual early morning session of the City Council and by agreement with Mayor Sanders and Council President Scott Peters, Kroll limited the questions that could be asked. The public had no opportunity to discuss its myriad findings and many questions still remain unanswered.

(MORE)

The City Attorney has some concerns about a blanket endorsement of the recommendations put forward by the Kroll group. While he supports 85% of their recommendations, Aguirre released his own 21-point Remediation Plan on August 29, 2006.

“The City Attorney’s 21-point Remediation Plan will honestly and effectively address the financial problems we face in San Diego. We do not want future generations to get stuck paying for the mistakes of City officials,” said City Attorney Aguirre.

For a complete list of the City Attorney’s 21-point remediation plan, visit [www.sandiegocityattorney.org](http://www.sandiegocityattorney.org), go to News Releases, *August 29, 2006, Aguirre Unveils 21 Remediation Measures Essential to City’s Fiscal Reform; Calls for Public Debate*.

Kroll, Inc. is a risk management firm hired by the City of San Diego in February 2005 to analyze conflicting investigative reports by the law firm of Vinson & Elkins and the San Diego City Attorney. The \$1.4 billion employee pension debt is the result of agreements between the San Diego City Council and the San Diego City Employees' Retirement System (SDCERS) Board in 1996 and 2002 that allowed the City of San Diego to pay less than what was required to fully fund the pension obligations in exchange for granting increased benefits to City employees.

In February 2004, the U.S. Securities & Exchange Commission and the U.S. Attorney began investigating the City of San Diego, probing into its financial disclosure practices and pension system.

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